



NEWCASTLE MUNICIPALITY

NOTICE NO. CS21/2024

INTENTION TO LEASE A PORTION OF REMAINDER OF ERF 1 AND REMAINDER OF ERF 813 NEWCASTLE FOR PURPOSES OF ESTABLISHING AND CONSTRUCTING A SOLAR POWERED PLANT BY GREFFS HOLDINGS WHO HAS PARTNERED WITH VUTOMI ENERGY PTY (LTD)

Notice is hereby given in line with Section 21 of the Municipal Systems Act No. 32 of 2000 as amended by Act. No. 44 of 2003 and to comply with Section No. 34 and 35 of the Municipal Asset Transfer Regulations Notice No. 878 of 22 August 2008 and Section 33 of the Municipal Finance Management Act, Act 56/2003.

1. Reasons

Council at its meeting dated 7 May 2024, resolved to approve in principle a long-term lease of 20 years over a Portion of Remainder of Erf 1 and Remainder of Erf 813 Newcastle for purposes of establishing and constructing a solar powered plant by Greggs Holdings who has partnered with Vutomi Energy Pty (Ltd) as a prospective investor on the project.

Greffs Holdings is amongst the services providers appointed by Newcastle Municipality through a competitive bidding (BID No. A057-2022/23) process to raise funds on behalf of Newcastle Municipality for turnkey construction of infrastructure related projects.

2. Expected benefits.

The municipality will receive a rental income of **R 1 440 000.00.00** per annum and escalated at 5% annually for a period of 20 years or Council will own 5% free carry in the Company which will amount to **R39 100 000.00** in 20 years, should the Municipality through Council opt to buy electricity from the Company. The proposed project has a direct and indirect economic spin-off through job creation, boosting investor confidence through sale of electricity at a cheaper rate.

3. Expected costs/ loss.

Currently there are no financial loss or costs to the municipality.

All documentation relating to this proposal are lying for inspection. Any person having sufficient interest in this matter may write to bafana.mseleku@newcastle.gov.za or hlengiwe.zulu@newcastle.gov.za

All comments must reach the Municipal officials by no later than 31 May 2024. Comments received later than this date will not be accepted.

Mr Mcineka
Municipal Manager(Newcastle Municipality)

